

WEEKLY MARKET WATCH

SIC-FSL INVESTMENT RESEARCH | MARKET REVIEWS | GHANA

28th July, 2016



STOCK MARKET

INDICATORS	WEEK OPEN	WEEK END	CHANGE
Market Capitalization (GH¢'million)	54,509.62	54,552.94	0.08%
Market Capitalization (US\$'million)	13,818.45	13,821.72	0.02%
Volume traded (shares)	5,012,328.00	2,982,813.00	-40.49%
Value Traded (GH¢)	3,265,664.07	10,170,973.29	211.45%
Value Traded (US\$)	827,861.20	2,576,952.37	211.28%

Table 1: Market Summary

INDEX ANALYSIS

INDICATORS	Closing Level	Week Change	YTD CHANGE
GSE Composite Index	1,787.01	0.43%	-10.42%
SIC-FSL Top 15 Index	3,123.49	0.42%	-15.82%
GSE Financial Stocks Index	1,678.27	0.78%	-13.05%

Table 2: Key Stock Market Indices

LIQUIDITY

Activities in twenty-five (25) equities accounted for the 2.98 million shares that exchanged hands on the bourse last week. The total shares traded lagged the previous week's figure by 40.49%, and this was due to the absence of block trade on the Exchange. Corresponding value traded also dropped by 211.45%, settling at GH¢10.17 million.

The financial stocks remained most investors pick in the week, the sector contributed 37.13% and 19.33% of both volume and value of shares that traded in the past week.

Fan Milk Limited (FML) contributed 936,365 shares, representing 31.39% of total shares traded, and this was valued at GH¢7.97 million.

GSE TRIMS-DOWN LOSSES AS RESULTS DELIGHT

The Ghana Stock Exchange (GSE) was comparatively better last week following released better-than anticipated results of half-year performance of some listed companies. The improvement in benchmark indices was pushed by shares of Ecobank Ghana Limited (EGH), GCB Bank Limited (GCB), Cal Bank Limited (CAL), and Fan Milk Limited (FML) improving the broader market by 0.43%.

The GSE Composite Index (GSE-CI) which tracks the performance of the entire market, saw its level improved from an annual loss of -10.80% to -10.42% last Thursday. Similarly, the Financial Stocks Index (GSE-FSI) which measures the performance of financial stocks also improved slightly, from the previous week's -13.72% to -13.05% last Thursday. The SIC-FSL top 15 liquid Index (SIC-FSL T-15) which tracks the top 15 most liquid equities on the GSE also improved by 0.35%, to settle at an annual loss of -15.82%.

Total market capitalization of the Ghana Stock Exchange also appreciated by 0.08% to GH¢54.55 billion from GH¢54.51 billion. An equivalent dollar value also appreciated to USD13.82 billion from USD 13.81 billion.



Fig 1: Year -to-date returns

MARKET MOVERS

EGH leads gainers

Intensed market demand for Ecobank Ghana Limited (EGH) shares saw the company's value ticked-up from the week's opening price of GH¢6.60 to GH¢6.70 a share last week. EGH closed the period as the best price gainer on bourse.

According to some market analyst, the appreciation appeared to have been inspired by the company's historical price performance on the GSE amid the anticipated prospects in the near future.

Though EGH is currently trading below the year-open price of GH¢7.01 per share, investors anticipate an upward price change in the future. The reason appeared to have been supported by the company's 182-Day Volume Weighted Average Price (VWAP₁₈₂) of GH¢6.89 and the 182-Day Average Trading Price of GH¢6.83 a share. Hence, the increasing demand for the company's share on the GSE last week.

GCB boosted as half-year result rises more than expected

Inspiring half-year results released by GCB Bank Limited (GCB) appeared to have boosted investors confidence, as they bid the share price from GH¢3.15 to GH¢3.20 a share last week. This gain, made the Bank the second best price mover on the Exchange.

The Bank reported a revenue growth from GH¢486.03 million in HY1'15 to GH¢578.79 million in HY1'16, which yielded a 27% in net profit after tax.

The above, appeared to have tickled investors appetite, hence the rush for GCB shares last week.

FML surges further

Unrelenting demand for the shares of Fan Milk Limited (FML) saw a further 2-pesewas rise on its record-high price of GH¢8.50 last week, settling at GH¢8.52 per share. The shares of FML is the current best year-todate price gainer on the Accra Bourse in absolute terms, posting a gain of GH¢1.17 on the year-open price of GH¢7.35 per share.

Though, the current market price of GH¢8.52 is above the 182-Day Volume Weighted Average Price (VWAP₁₈₂) of GH¢7.91 a share and 91-Day Average Trading Price of GH¢7.43 per share, investors seemed to weigh high prospects in the future, hence the upward bid.

STOCK TICKER	Wk Open	Wk End	Change	% change
ALW	0.13	0.14	0.01	7.69%
CAL	0.82	0.84	0.02	2.44%
EGH	6.60	6.70	0.10	1.52%
FML	8.50	8.52	0.02	0.24%
GCB	3.15	3.20	0.05	1.59%
SOGEGH	0.79	0.80	0.01	1.27%

Table 4: Gainers for the week

STOCK TICKER	Wk Open	Wk End	Change	% change
GGBL	1.82	1.80	-0.02	-1.10%
HFC	0.80	0.78	-0.02	-2.50%
PBC	0.06	0.05	-0.01	-16.67%
PZC	0.23	0.22	-0.01	-4.35%

Table 4: Laggards for the week

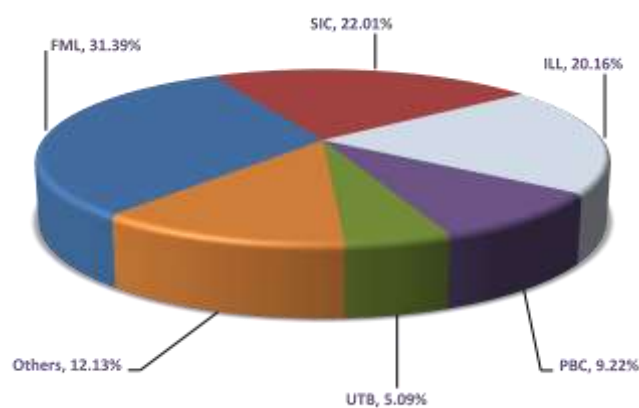


Fig 2: Top 5 most liquid equities with respect to volume traded

Stock	Ticker	Year Opening Price(GH¢)	Closing Price @ 28/07/2016 (GH¢)	YTD Gain/Loss (%)
African Champion Industries Ltd.	ACI	0.02	0.01	-50.00%
AngloGold Ashanti Ltd.	AGA	37.00	37.00	0.00%
Aluworks Limited	ALW	0.14	0.14	0.00%
Ayrton Drug Manufacturing Ltd.	AYRTN	0.18	0.11	-38.89%
Benso Oil Palm Plantation	BOPP	2.50	2.80	12.00%
Cal Bank Ltd	CAL	1.00	0.84	-16.00%
Clydestone (Ghana) Ltd.	CLYD	0.03	0.03	0.00%
Camelot Ghana Ltd.	CMLT	0.12	0.12	0.00%
Cocoa Processing Co. Ltd.	CPC	0.02	0.01	-50.00%
Ecobank Ghana Ltd.	EGH	7.01	6.70	-4.42%
Enterprise Group Limited	EGL	2.40	2.41	0.42%
Ecobank Transnational Inc.	ETI	0.27	0.18	-33.33%
Fan Milk Ltd.	FML	7.35	8.52	15.92%
Ghana Commercial Bank Ltd.	GCB	3.79	3.20	-15.57%
Guinness Ghana Breweries Ltd.	GGBL	1.99	1.80	-9.55%
Ghana Oil Company Limited	GOIL	1.40	1.35	-3.57%
Golden Star Resources Ltd.	GSR	1.99	1.99	0.00%
Golden Web Ltd.	GWEB	0.01	0.01	0.00%
HFC Bank (Ghana) Ltd.	HFC	0.90	0.78	-13.33%
Mega Africa Capital Ltd	MAC	6.00	6.00	0.00%
Mechanical Lloyd Co. Ltd.	MLC	0.19	0.18	-5.26%
Pioneer Kitchenware Ltd.	PKL	0.05	0.05	0.00%
Produce Buying Company Ltd.	PBC	0.10	0.05	-50.00%
PZ Cussons Ghana Ltd.	PZ	0.34	0.22	-35.29%
Standard Chartered Bank (GH) Ltd.*	SCB	16.30	14.23	-12.70%
SIC Insurance Company Ltd.	SIC	0.14	0.15	7.14%
Starwin Products Ltd.	SPL	0.04	0.02	-50.00%
Societe Generale Ghana Limited	SOGEGH	0.80	0.80	0.00%
Sam Woode Ltd.	SWL	0.04	0.04	0.00%
Trust Bank Ltd. (The Gambia)	TBL	0.37	0.30	-18.92%
Total Petroleum Ghana Ltd.	TOTAL	5.10	3.89	-23.73%
Transaction Solutions (Ghana) Ltd.	TRANSOL	0.03	0.03	0.00%
Tullow Oil Plc	TLW	28.00	27.88	-0.43%
Unilever Ghana Ltd.	UNIL	8.50	8.48	-0.24%
UT Bank	UTB	0.10	0.08	-20.00%
AngloGold Ashanti Depository Shares	AADS	0.52	0.52	0.00%
Standard Chartered Bank Preference shares	SCB PEF	0.71	0.74	4.23%
NewGold Exchange Traded Fund	GLD	39.00	38.80	-0.51%
Samba Foods Ltd	SAMBA	0.73	0.73	0.00%
Meridian Marshalls Holding Company	MMH	0.11	0.11	0.00%
Hords Limited	HORDS	0.08	0.10	25.00%
Intravenous Infusions Limited	IIL	0.09	0.09	0.00%

Table 5: Performance of listed equities from year open

CURRENCY MARKET

EXCHANGE RATES	BUYING	SELLING	YTD CHANGE
USDGHS	3.9450	3.9488	4.00% ▼
GBPGHS	5.1794	5.1867	7.72% ▲
EURGHS	4.3737	4.3774	5.89% ▼

Table 6: Inter-bank indicative rates

▲ year-to-date appreciation ▼ year-to-date depreciation

Dollar gains over Cedi's

The Dollar had an advantage over the Cedi last week, as it strengthened by 0.06%. This is a slowdown in the greenback's performance against the Cedi, compared to its previous appreciation of 0.11% a week earlier, showing a possible sign of a further stability in the Cedi-dollar pair.

The USDGHS exchange rate was traded at an average of GH¢3.9469 a dollar last week, indicating a year-to-date gain of 4.00% by the greenback.

Cedi rises against Pound

The Cedi enjoyed quite a better part of its exchanges against Pound Sterling on the inter-bank market last week. A 0.55% appreciation by the Cedi let the Sterling down last Thursday, as investors await the direction of the Bank of England's (BoE) policy rate.

Market participants envision a cut in interest rates for the first time since March 2009, when the BoE announces its latest policy decision next week.

In the end, the Pound was bought at GH¢5.18 and sold for GH¢5.19 on the inter-bank market. This triggered a year-to-date loss of 7.72% compared to the previous year-to-date loss of 7.20%.

Alice Osei Okrah (Head)
 Email: aokrah@sic-fsl.com
 Email: research@sic-fsl.com

CEDI LOSES ON THE INTER-BANK MARKET

The local currency ended Thursday's trading on the downside following a composite loss of 0.17% on the inter-bank market.

Though the Cedi held steady against the Pound on the currency market, extending its stability against the Pound Sterling to the second consecutive week, it was losses suffered against the Dollar and the Euro that determined the performance of the Cedi on the inter-bank market last week.

Consequently, the Cedi currently stands at a cumulative depreciation of 2.42% since year open.

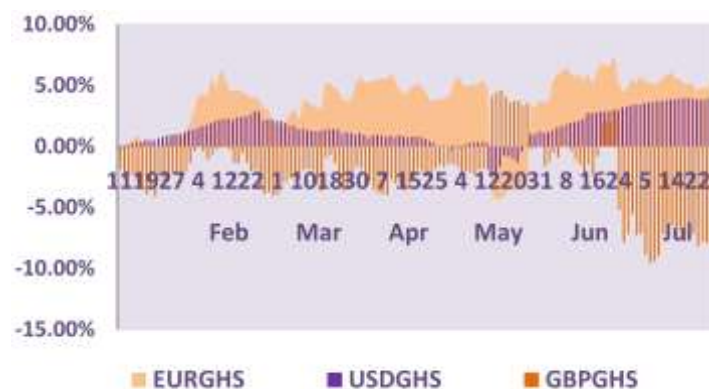


Fig 3: YTD performance of Pound, Dollar & Euro versus the Cedi

Investors increase their bet in euro

Good economic data set the tone for the Euro in the period under review, leading to investors reacting positively to the change. This bolstered the value of the Euro on the international market.

German's Consumer Price Index came in more than expected from 0.1% to 0.3%, favouring the value of the Euro.

Similarly, the shared currency performed better on the local currency market as investors gladly boosted the value of the single currency by a whopping 2.14% value last week.

Isaac Kwasi Mensah (Analyst)
 Email: ikmensah@sic-fsl.com